

*Covered Electronic Waste (CEW) Net Cost Reporting*

# **Preliminary Net Cost Report Analysis for 2015**



April 13, 2016

# Background

**CalRecycle determined in December 2015 that Net Cost Reports must be submitted**

- **Determination met regulatory obligation**
- **Reports to cover 2015 operations**
- **Reports due on or before March 1, 2016**
- **Public notice posted and announce on listserv**

# Background

## CalRecycle received Net Cost Reports

- Tardy reports provided with two warnings
- Approval revoked from ~30 participants
- 420 collector reports
- 29 recycler reports

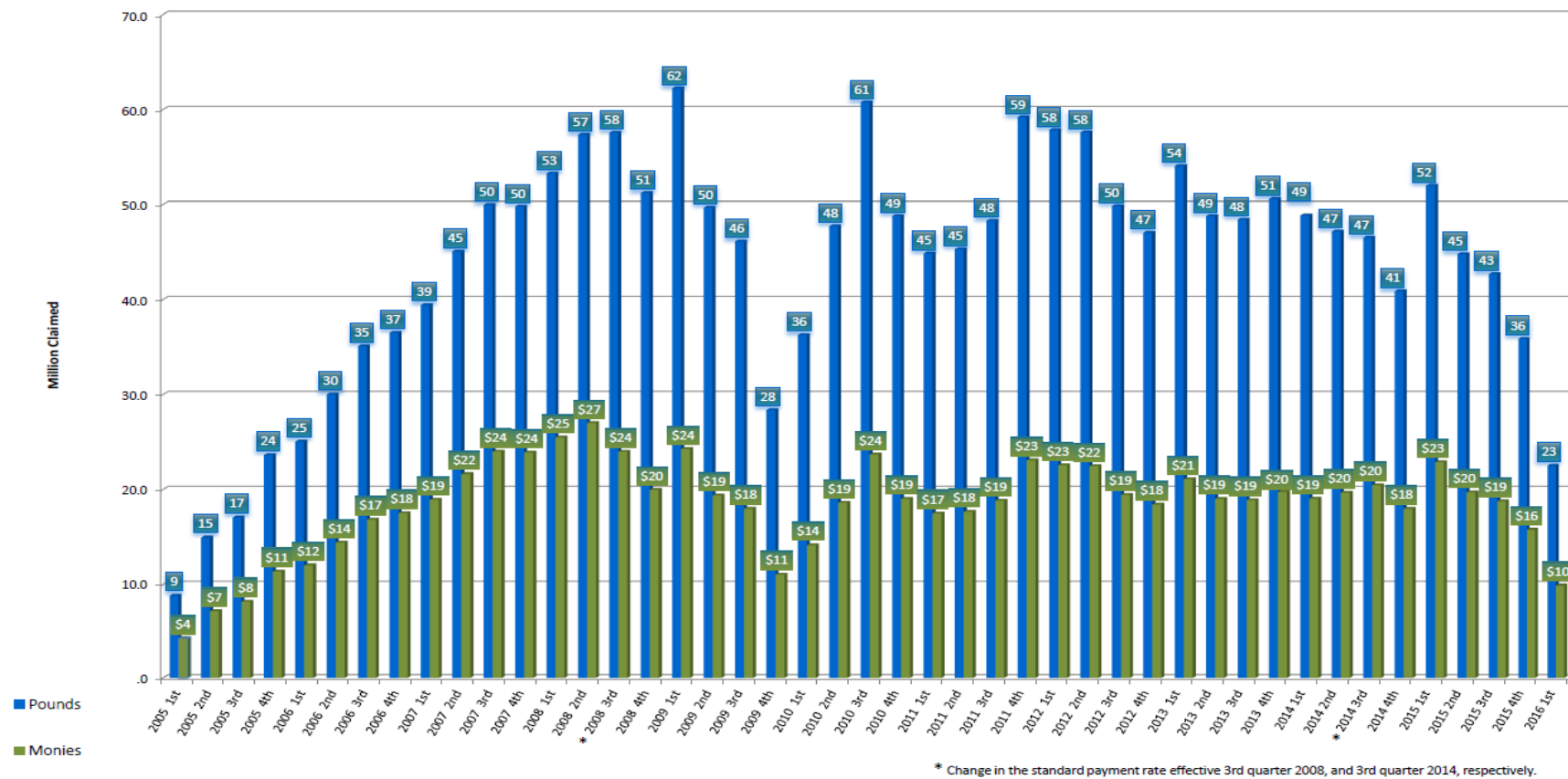
# CEW Recycling Payment System

- ~2 billion pounds of CEW claimed since program inception
- ~175 million pounds of CEW claimed in 2015

## Covered Electronic Waste Recycling Payment System

### Quarterly Monies and Pounds Claimed

(as of April 7, 2016)



# Net Costs and CEW Payment Rates

Regulation requires Net Cost Reports to inform CalRecycle in its duty to set payment rates

Statute requires CalRecycle to establish “...*an electronic waste recovery payment schedule...*” and “...*a covered electronic waste recycling payment schedule ...*”

Converting reported costs of yesteryear into standardized payment rates for the future is the challenge; Net Cost Reports only part of puzzle

# DRAFT 2015 Costs Calculated Using All\* Reports

Net Costs Reported for 2015 (cents per lb)		Weighted Average	Mean	Median	% of Reports < or = Std Pay Rate
Recovery* (400)	Revenue	6.9			
	Cost	24.4			
	Net Cost	17.6	17.6	13.0	58.3%
Recycling (29)	Revenue	8.0			
	Cost	34.8			
	Net Cost	26.8	26.1	24.0	65.5%

\* Excluded reported recovery costs > \$1 and < -\$1; 20 collectors records omitted

# DRAFT 2015 Costs Calculated Using Select\* Reports

<b>Net Costs Reported for 2015 (cents per lb)</b> (* < One Million Pounds)		Weighted Average	Mean	Median	% of Reports < or = Std Pay Rate
<b>Recovery</b> (363)	Revenue	9.9			
	Cost	25.9			
	Net Cost	16.0	17.7	13.0	63%
<b>Recycling</b> (8)	Revenue	7.2			
	Cost	27.8			
	Net Cost	20.6	30.0	26.5	50%

# DRAFT 2015 Costs Calculated Using Select\* Reports

<b>Net Costs Reported for 2015 (cents per lb)</b> (* > One Million Pounds)		Weighted Average	Mean	Median	% of Reports < or = Std Pay Rate
<b>Recovery</b> (37)	Revenue	4.7			
	Cost	23.3			
	Net Cost	18.6	17.2	16.0	64.9%
<b>Recycling</b> (21)	Revenue	8.0			
	Cost	34.9			
	Net Cost	26.9	26.0	23.0	76.2%

# DRAFT 2015 Costs Calculated Using Select\* Reports

<b>Net Costs Reported for 2015 (cents per lb)</b> (* > Five Million Pounds)		Weighted Average	Mean	Median	% of Reports < or = Std Pay Rate
<b>Recovery</b> (3)	Revenue	3.8			
	Cost	22.3			
	Net Cost	18.5	19.0	17.0	67%
<b>Recycling</b> (10)	Revenue	7.5			
	Cost	34.5			
	Net Cost	27.0	24.6	24.0	70%

# Comparison of Weighted Average Net Costs (cents per pound)

Year and Activity	2005	2006	2007	2008	2009	2010 *	2011 *	2012 *	2013 *	2014 *	2015 *
Recovery	17.1	16.7	14.8	16.6	14.4	15.3	15.2	17.1	16.8	17.2	17.6
Recycling	25.2	21.5	21.0	22.8	18.7	18.1	19.2	17.8	23.8	23.5	26.8
Combined	42.3	38.2	35.8	39.4	33.1	33.4	34.4	34.9	40.6	40.7	44.4

\* Excluded recycling costs > \$1 and < \$-1

# Upcoming Program Actions

Stakeholder Meeting May 11, 2016

CalRecycle Monthly May 17 & June 21, 2016

Before July 1, 2016

- **CalRecycle must determine if any payment rate adjustment is warranted**
- **Timing of any adjustment is not yet clear**
  - Changes were phased in 2008

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**[www.calrecycle.ca.gov](http://www.calrecycle.ca.gov)**